

CERTIFICATE OF INCORPORATION
OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

The undersigned do hereby associate themselves into a Corporation, for a lawful purpose other than for pecuniary profit under and by virtue of the New Jersey Nonprofit Corporation Act, New Jersey Statutes Title 15A, and pursuant thereto, do hereby certify:

FIRST: The name of the Corporation is the NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION.

SECOND: The purposes for which the Corporation is organized are:

- a. to promote the reliable planning and operation of the electric bulk power systems of North America;
- b. to act as the electric reliability organization for the United States as certified by the Federal Energy Regulatory Commission and for Canada and Mexico as recognized by applicable government and regulatory authorities in such countries, all pursuant to law;
- c. to develop, implement, and enforce, consistent with executed agreements with regional entities and approvals by applicable regulatory authorities, standards that provide for the reliable planning and operation of the electric bulk power systems of North America; and
- d. to conduct such other lawful business and activities, not otherwise inconsistent with the specific purposes set forth herein, in which a corporation subject to the New Jersey Nonprofit Corporation Act may engage.

THIRD: The Corporation is organized and shall operate as a business league within the meaning of Section 501(c)(6) of the United States Internal Revenue Code of 1986, as amended. The Corporation shall not have or issue capital stock or shares.

FOURTH: The Corporation shall have members. The qualifications of the members of the Corporation shall be as set forth in the Bylaws of the Corporation.

FIFTH: The members of the Corporation shall be divided into classes as provided in the Bylaws, and the rights and limitations of the various classes of members shall be as provided in the Bylaws.

SIXTH: The business, property, and affairs of the Corporation, subject to its Bylaws, shall be managed and conducted by a Board of Trustees, of which there shall be that number of Trustees, not less than three, which shall be fixed by the Bylaws. The trustees shall be appointed or elected as the Bylaws provide and their terms of office shall be two years or such other terms as the Bylaws may provide, and until their successors are elected, except that the names and post office addresses of the initial trustees of the Corporation are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
John Q. Anderson	4600 Touchton Road East, Bldg. 100 Suite 150 Jacksonville, Florida 32246
Paul F. Barber	322 Brandon Boulevard Freehold, New Jersey 07728
Thomas W. Berry	33 Inwood Circle Chatham, New Jersey 07928
Richard Drouin	1000, de La Gauchetière Street West Suite 2500 Montreal, Quebec, Canada H3B 0A2
James M. Goodrich	524 Manor Ridge Drive Atlanta, Georgia 30305
Frederick W. Gorbet	440 Bedford Park Avenue Toronto, Ontario, Canada M5M 1K1
Donald P. Hodel	P.O. Box 23099 Silverthorn, Colorado 80498
Sharon L. Nelson	900 4th Avenue, Suite 200 Seattle, Washington 98164
Kenneth G. Peterson	1936 Parker Street Vancouver, British Columbia, Canada V5L 2L3
Bruce A. Scherr	775 Ridge Lake Boulevard Suite 400 Memphis, Tennessee 38120
Richard P. Sergel	34 Brook Street Wellesley, Massachusetts 02482

SEVENTH: The name and post office address of the registered office of the Corporation is: North American Electric Reliability Corporation, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731. The name of the registered agent of the Corporation on whom process against the Corporation may be served at that address is: Joseph K. Conner, Jr.

EIGHTH: The names and post office addresses of the incorporators of the Corporation are:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
David N. Cook	75 E. Shrewsbury Place Princeton, New Jersey 08540
Joseph K. Conner, Jr.	1084 Lily Pond Lane Yardley, Pennsylvania 19067

NINTH: No trustee, officer, or member of the Corporation shall as such receive or become entitled to receive at any time any part of the net income of the Corporation, nor shall any part of the net earnings of the Corporation inure to the benefit of any person, except as reasonable compensation for services rendered and reimbursements for expenses actually incurred in conducting its affairs and carrying out its purposes.

TENTH: Upon dissolution, after payment of all debts, no part of the remaining assets of the Corporation may be distributed to any trustee of the Corporation, but shall be distributed as the Bylaws may direct in accordance with law, provided, however, that the distribution must conform to the distribution requirements of Section 501(c)(6) of the United States Internal Revenue Code of 1986, as amended.

ELEVENTH: No amendment, change, or alteration of this Certificate of Incorporation shall be made without the approval of two-thirds of the classes of members at any meeting of the members or the consent of two-thirds of the classes of members acting without a meeting. For purposes of this paragraph ELEVENTH, each class of members shall have one vote, which shall be allocated for and against the proposed amendment based on the number of votes of the members in each class cast for and against the proposed amendment, and the proportions of the votes of each class for and against the proposed amendment shall be summed to determine the total votes of the classes for and against the proposed amendment. Written notice of the proposed amendment, change, or alteration of this Certificate of Incorporation shall be included in the notice of the meeting or the call for action without a meeting of members given to each member in accordance with the Bylaws.

TWELFTH: No trustee or officer of the Corporation shall be personally liable to the Corporation for damages for breach of any duty owed to the Corporation, except for liabilities arising from breach of any duty based upon an act or omission (1) in breach of the duty of loyalty owed to the Corporation or its members, (2) not in good faith or involving a knowing violation of law, or (3) resulting in receipt by such trustee or officer of an improper personal benefit. Neither the amendment nor repeal of this paragraph TWELFTH, nor the adoption of any

